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THE COMMONWEALTH OF MASSACHUSETTS

FOURTH ANNUAL REPORT

of the

PORT OF BOSTON COMMISSION

to the

GENERAL COURT

Under Chapter 608 of the Acts of 1953

January 1958

John T. Lang, Chairman
Leon Cangiano
James J. Healy
Lawrence T. Ritchie

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THE COMMONWEALTH OF MASSACHUSETTS

Port of Boston Commission
14 Court Square
Boston, Massachusetts
January 1958


To the Honorable Senate and House of Representatives:

Transmitted herewith is the Annual Report of the
Port of Boston Commission for the Fiscal Year 1956-1957 in
accordance with Chapter 608 of the Acts of 1953.

Very truly yours,

PORT OF BOSTON COMMISSION

John T. Lang
Chairman



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FOURTH ANNUAL REPORT OF THE PORT OF BOSTON COMMISSION
TO
HIS EXCELLENCY, THE GOVERNOR
and the
GENERAL COURT

The Fourth Annual Report of the Port of Boston Commission, created pursuant to Chapter 608 of the Acts of 1953, covering the fiscal period July 1, 1956, through June 30, 1957, is herewith presented.

The Commission is mindful that there exists a feeling of pessimism concerning the state of progress at the Port of Boston. It is true that numerous problems must be solved if the full growth potential of the Port is to be realized. However, after an objective review of the fiscal period 1956-57, the Commission is of the sincere belief that continued tangible gains have been made. These are as deserving of public attention as are the present obstacles to progress. To dwell primarily on the latter does a disservice to the Port; it unjustly and unwisely injures the faith which citizens of the Commonwealth and users of the Port everywhere are entitled to have in these important facilities.

In this report, therefore, the Commission will catalogue the positive accomplishments as well as the tasks yet to be done. On balance, it will be found that the results are encouraging just as the challenge of the future is great.

I. OVER-ALL PORT ACTIVITY

(a) It is of great significance that in the calendar year 1956 the total commerce in the Port of Boston was the highest

in its history. Moreover, the volume of tonnage increased by 8% over 1955. From 1954 to 1956, the total tonnage handled increased by approximately 18%.

1956.....	20,687,278 tons
1955.....	19,145,538 tons
1954.....	17,580,131 tons

(b) In analyzing comparative data, supplied by U.S. Army Engineers' Annual Reports, it is noteworthy that from 1955 to 1956 the total foreign trade (both imports and exports) going through the Port increased by 15½%. Imports, as measured by tons handled, rose by 6.7%, while total exports rose by a phenomenal 94.8%. The net gain of 15½% in foreign trade can be better appreciated when it is realized that the net gain in the Port of New York in the same period was only 5%. The following table shows that Boston's rate of growth in this area of trade compares favorably with other North Atlantic Ports:

FOREIGN TRADE, NORTH ATLANTIC PORTS, 1955-56
(In short tons)

<u>PORT & YEAR</u>	<u>IMPORTS</u>	<u>EXPORTS</u>	<u>TOTAL</u>
Boston:			
1955	5,135,873	565,995	5,701,868
1956	5,482,506 +6.7%	1,102,703 +94.8%	6,585,209 +15.5%
New York:			
1955	30,273,674	8,623,893	38,897,567
1956	31,683,792 +4.7%	9,165,097 +6.3%	40,848,889 + 5.0%
Philadelphia:			
1955	20,895,512	3,222,468	24,117,980
1956	24,059,751 +15.6%	5,722,172 +77.6%	29,781,923 +23.0%
Baltimore:			
1955	17,415,578	8,318,198	25,733,776
1956	20,365,717 +16.9%	9,664,650 +16.2%	30,030,367 +16.7%

SOURCE: U.S. Army Engineers' Annual reports

(c) One of the contributing factors to this substantial net gain in tonnage is the revitalized activity of the Port's two

grain elevators at East Boston Terminal and at Hoosac Terminal. After years of relative inactivity, these elevators were made a major factor in Port volume as a result of positive action taken by the Commission. To illustrate, during the past year the Commission installed a mechanical railroad grain car dumper at East Boston at a cost of almost \$300,000; it is acknowledged to be the most modern facility of its kind in the United States. The cost will be amortized over a 20-year period by the Terminal operator, the New York Central Railroad.

Evidence of accomplishment is shown in the following data on grain exports:

1955.....	4,770,565 bushels
1956.....	19,546,645 "

This represents an increase of more than 300%, and reliable estimates indicate that in 1957 more than 30,000,000 bushels of grain will be exported.

(d) The Commission is aware that in total tonnage activity the category of general cargo showed a decrease in 1956. However, this cannot be construed as an adverse development peculiar to the Port of Boston. Rather, it reflects the condition of the general economy in 1956-57. The competing ports of New York, Philadelphia and Baltimore experienced a similar decline in general cargo handled.

II. EFFORTS TO IMPROVE THE PORT'S COMPETITIVE POSITION

Competition among the North Atlantic Ports is intense. The development and maintenance of the most modern facilities is imperative if the Port of Boston is to retain and improve upon its share of the total market. This aspect of the Commission's work in the past year will be discussed under III. Facilities

alone, however, do not create business. There must also be (1) the cost-saving incentive to shippers which will induce them to use the Port of Boston rather than competitive port facilities, and (2) a concerted campaign to familiarize potential shippers with the advantages of shipment through the Port of Boston. In 1956 the Commission extended its efforts in these two essential areas.

(a) Rate Parity Case. No legal proceeding in the history of the Port of Boston is as important to the future benefit of the Commonwealth as is the current Rate Parity Case. Under the Commission's urging, this fight to achieve equality of inland freight rates at all North Atlantic Ports was further prosecuted during the year. As we entered 1957's fiscal year, the railroads serving Boston and New York filed with the Interstate Commerce Commission their intent to reduce rates on export-import freight to the level of Baltimore's rates on the same types of cargoes. This was the first step in the procedure to achieve equality for Boston and New York. The Commission exerted leadership in this matter, and the Commission's Traffic Division was responsible for gathering of evidence and exhibits to support Boston's position in I.C.C. hearings. Procedural hearings were to begin in the Fall of 1957, but were postponed until early in 1958. Requested additional funds for financing the legal work for the Commission necessitated for the vigorous prosecution of this most vital case, were not granted by the 1957 session of the Legislature, although we are indebted to His Excellency, Governor Furcolo for his attempt to secure these funds for us. The economic improvement which Boston, .

Massachusetts and New England would gain in a favorable decision, would expand import cargoes to great magnitude.

With the rebuilding of the terminals at the Port under the Port Master Plan started 12 years ago, with the aggressive business-getting policy of the Commission during the same period as evidenced by the overall increases in Port commerce, removal of the yoke of unequal freight rates from the Port's back will clear the last obstacle to Boston's reaching competitive status with other Atlantic ports.

(b) Solicitation of New Business. In fiscal 1956-57 the promotional staff of the Port visited 1,312 companies or organizations in 13 states throughout New England, New York, the midwest and Canada. In addition, the Washington representative of the Commission maintained regular contacts with various governmental agencies to insure a fair use of the Boston facilities in the shipment of government-financed produce. The Members of Congress from the Commonwealth rendered valuable assistance in these efforts. In 1956-1957 the Commission served as host to key government and business groups on inspection tours of the Port's facilities. Finally, a newspaper and magazine advertising program was developed on a systematic basis.

The effectiveness of these efforts cannot be measured in quantitative terms, although the tonnage gains cited above are undoubtedly a function, in part, of the promotional work.

In planning its solicitation and advertising efforts, the Commission, as any good business organization with limited budget, cannot scatter its energies and monies indiscriminately. It must choose those media which are strategic, and the principal

effort logically should be in those areas in which the Port of Boston is competitive with other North Atlantic ports. To illustrate: during the past year an accelerated campaign of advertising and solicitation visits to Canada has been conducted on a seasonal basis to divert shipments through the Port of Boston when the St. Lawrence River has been closed by ice. The results of this rational investment of the promotional dollar have been rewarding.

III. PLANT IMPROVEMENT PROGRAM

Three major projects occupied the Commission's attention in its responsibility to continually improve the Port's physical plant.

COMMONWEALTH PIER NO. 5, SOUTH BOSTON. The first stage contract in the program to rehabilitate this combination passenger and cargo terminal was scheduled at \$1,800,000, and was completed during the year. The work consisted of strengthening the roadways, the building of a roadway through the center of the second deck, the elimination of certain lightwells making possible additional cargo-working area, replacement of deteriorated steel sash in the monitors and the construction of a new, efficient heating plant replacing the former heating plant across the street from the Terminal's lower level on Northern Avenue. Additional contracts have been let covering replacement of cargo-hoist beams in the upper exterior of the structure found to be hazardous, for repairs to corroded bases of building columns and for modernization of the vital sprinkler alarm and air pressure systems.

CASTLE ISLAND TERMINAL, SOUTH BOSTON. When the fiscal year ended, the Commission's plan for improvement here under the first stage program at \$1,200,000 was nearly complete. The program called for expansion and modernization of Transit Shed #1, and this was accomplished midway in the year. Luckenbach Steamship Company transferred its operation from Commonwealth Pier at the same time. Of prime importance was the completion of work on a new underground water supply system for fire protection, ship and domestic water supply. This latter work was necessitated by electro-chemical action having attacked the old cast-iron pipe. Rising construction costs prevented all of the planned improvements from being realized here. We applied for additional funds in the 1957 Capital Outlay Budget, but no

funds were allowed. The requested funds should be provided to finish the improvements at this potentially great waterfront facility.

RAILROAD FREIGHT CAR DUMPER, EAST BOSTON TERMINAL. As already stated, grain exports have increased markedly in the last three years. The Commission was encouraged to install adjacent to the Grand Junction Grain Elevator at East Boston Terminal, a mechanical grain car dumper, capable of completely emptying 6-8 full cars of grain, (50 tons of grain per car) per hour, via hydraulically-operated equipment. Formerly, the emptying process was a manual one, accomplished under particularly poor working conditions, with the ship-loading rate at the Elevator limited by human endurance. Cost of the housing structure and equipment was \$282,000. Through agreement with the New York Central Railroad, operator of the entire Terminal under lease, the car dumper's cost will be amortized over 20 years.

The Commonwealth has invested a great deal of money since World War II in new Port facilities. We have a first-rate physical plant, and it is our intention to keep on improving it. Requests for funds have been made only when the considered judgment of the Commission, based on the most expert advice obtainable, dictates that we recommend Capital Outlay items. We believe that the sincere thinking behind the failure to grant requested funds for Capital improvements was the expectation by the Legislature that the Commission would be absorbed by the activation of the Massachusetts Port Authority.

However, this activation has not occurred, but the needs for which funds have been requested continue to exist and should be met.

These needs have been and are, clearly apparent to the Commission. As an agency of the Commonwealth, revenues from the Port's facilities are absorbed into the Commonwealth's General Fund instead of becoming retained earnings for use in further maintaining and rehabilitating the facilities under the Commission's jurisdiction. Had requested funds been

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BUREAU OF LAND MANAGEMENT

WATER RESOURCES DIVISION
NATIONAL CENTER FOR
WATER RESEARCH
WASHINGTON, D. C.

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granted, it is obvious that the needs would have been diminished.

The Commission believes that observers and interpreters of the Port scene would aid immeasurably in the Port's advancement by noting the significant improvements made at the Port of Boston, instead of only dwelling upon its needs.

IV. LABOR-MANAGEMENT RELATIONS

Many loose references have been made to the effect that Boston is a high labor cost port by comparison with other North Atlantic ports. This charge has become almost a shibboleth to explain the complex problems of the Port. The Commission does not condone restrictive labor practices which are harmful to Port progress and, in the long run, to the security and desirable economic standards of employees and management interests alike. Nor does the Commission deny that improvements and attitudes of both parties are needed. Nevertheless, an objective analysis of the allegation that the Boston labor cost picture is unfavorable should include a consideration of the following factors:

First: by comparison with other Ports, the Port of Boston has been relatively free from prolonged strikes and illegal work stoppages. Primary credit for this stability must be given to the growing maturity of the labor-management groups and, more particularly, to Monsignor John T. Powers of South Boston, who has worked closely and faithfully with the parties. Through his efforts the peaceful resolution of disputes has been achieved.

Second: no reliable labor cost data are available to prove or disprove the allegation that the per-man hour productivity at Boston is relatively low by comparison with competitive ports, other conditions being equal.

Third: low productivity criticisms fail to point out that by the nature of ship loadings, there is likely to be multiple cargo handling at Boston.

Fourth: there is a tendency by management itself to incur higher costs through managerial default. Yielding to expediency, unfortunately, has damaging long-range consequences.

The Commission is convinced that a healthy Port must be progressive in techniques of cargo handling and in the conduct of labor-management relations. Selfishness by any interest group, whether it be management or organized labor, is usually self-destructive to the group in the long-run. The Commission views as desirable that Port progress which is consistent with the interests of the Commonwealth, the employees of the Port, and the various management interests of the Port. Mature thinking will prove ultimately that these interests are not incompatible within the planned goal of Port progress.

S U M M A R Y

During the year the Commission continued to work in four broad important areas:

1. To exert leadership in the Port community on behalf of all industries connected with maritime commerce when and where it was required.
2. To maintain and to improve physical properties under its jurisdiction.
3. To work toward the protection of all of the industries in the Port through seeking equality of freight rates on export and import cargoes.
4. To sell, promote and advertise the Port vigorously in every way through the wisest use of the funds available.

The Commission here records its appreciation for the fine service rendered to the Port by the former Chairman, William H. Gulliver Jr., and former Commissioners Richard I. Goodrich and Lawrence Petersen who served with us during the fiscal year covered by this Report. Former Chairman Gulliver, who ably filled that role from the inception of the Commission through August, 1957, and Messrs. Goodrich and Petersen, made real contributions to the Port's advancement. The support given

11.
to our efforts by Governor Foster Furcolo, by the General Court and by the many agencies of the Commonwealth with which we have worked, is most appreciated. The advice and counsel of the Advisory Council of the Port of Boston Commission, composed of men constantly interested in the Port's progress, was valuable to us.

Under our new Chairman, Mr. John T. Lang, member of the original Commission, and Director of Exports and Imports for a nationally-known company, the work of Port advancement will continue. As we issue this Report, we welcome to membership on the Commission Mr. Leon Cangiano, a prominent Boston insurance executive, and Mr. Lawrence T. Ritchie, a leader in Boston's important wool importing industry.

As required by Chapter 608 of the Acts of 1953, detailed Reports will be found on the following pages.

Respectfully submitted,

John T. Lang, Chairman
James J. Healy
Leon Cangiano
Lawrence T. Ritchie

SECTION IPROMOTION AND SOLICITATIONOBJECTIVE

The Promotion Division is organized as the sales branch of the Commission. It directs the efforts of five trained solicitors, four of whom work out of the home office and one resident in Washington, D. C. to sell the Port's facilities and services in areas from which the Port can logically draw business.

SCOPE OF COVERAGE

During the year, the Division staff covered New England, New York State, the Midwest, Canada and the District of Columbia, making regular calls on transportation executives, importers, exporters, banks and travel agencies and lecturing to foreign trade groups.

Personal interviews were effected with 1,312 shippers and transportation agencies during the fiscal year of 1956-57.

Sales Coverage

<u>State</u>	<u>No. of Interviews</u>
Connecticut	51
Massachusetts	703
Maine	2
New Hampshire	47
Rhode Island	99
Vermont	12
Quebec	184
Ontario	46
New York	131
Illinois	6
Indiana	9
Missouri	21
Virginia	1

Port sales representatives participated in 126 meetings and conventions of traffic and foreign trade associations in 12 states. Models and photographs of the Port's facilities were exhibited and approximately 10,000 pieces of promotional literature were distributed at these meetings.

In addition to their usual ocean and air freight solicitation efforts, the Port salesmen aggressively carried on a passenger promotional program by calling on travel agencies and acquainting them with the transoceanic services and facilities at Boston. They were successful in obtaining more extensive sailings and services, including cruise service. For the calendar year 1956, in addition to passenger movement through Boston by cargo vessels, 37 passenger vessels debarked or embarked passengers for a total movement of 7,750 on all classes of vessels.

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During fiscal 1956-57 the Commission was able to plan and to set in motion a full year's program of advertising, publicity, exploitation and public relations.

Encouraged by the solid advances in Port commerce, and the pressing forward of the improvements program for the Port's physical plant, the public relations arm of the Commission staff has, "good selling material" with which to work. As would be true in any other large scale enterprise, the basic and continuing job of the unit was to direct a sound advertising program to back up the sales efforts of the Commission's Promotion staff, with insertions of advertising in media selected on a basis for securing maximum exposure.

Careful planning of the advertising schedule to avoid duplication of readership, enabled the Commission to get the most impact with the dollars allocated. With the support of the Massachusetts Legislature, which granted the Commission \$28,000 for this purpose, it was able to reach the men and the markets through whom and through which the Port of Boston could best compete for commerce.

It has been stressed in the Foreword of this Report that the Port must contend constantly with competition. Most of our competitors have larger advertising budgets than does Boston, with the most successful ports spending the most. With the results already obtained for Boston, it can be truly said that the funds spent in the last two fiscal years on advertising and publicity have been well

and wisely spent. It is on the basis of this truth that the Legislature should continue to make funds available and to increase the amount as the Port advances. In addition to consistent advertising in selected media on the schedule, the Commission entered into special promotions directed by responsible publications. In January 1957, for the first time, the Commission placed advertising in the Annual Business Review of the New York Times. The Review is regarded as the very best business issue of any newspaper in the world, and the Port was in company with the largest and best-known enterprises in the United States.

NEWSWEEK EUROPEAN PROMOTION. In March of 1957, through the securing of a special rate, the Port of Boston was the first United States port to advertise in the European edition of Newsweek Magazine. This was a special promotion arranged jointly by the publication and the Commission. A full-page advertisement ran on March 11, with other advertisers in the issue having been some of the best known brand names in the world. The European Edition has 56,000 "deep penetration" circulation among the management class in Europe from Sweden to the Mediterranean. At very little additional cost, the Commission reprinted the cover and Commission advertisement and used it as a direct-mail advertising piece sent to 5,000 Transportation Executives.

As can be seen on the attached schedule, the Commission used trade publications, business newspapers, a general news magazine and regional daily newspapers.

SERVICE TO PORT INDUSTRIES. Since the Commission exercises responsibility for promotion of the overall Port, it also offered the services of its public relations unit to component parts of the Port community. In this way, many enterprises in the Port area, not maintaining their own public relations staffs called upon the Commission staff to handle promotional and publicity ventures. The Commission was pleased to offer this service and will continue it.

PORT OF BOSTON TELEPHONE DIRECTORY. Another "first" was scored for the Commission during the year with the publication of the "Transportation Telephone Tickler" covering the Port of Boston. For many years, the Port of New York has had the benefit of an excellent promotional device in the form of the "Port of New York Telephone Tickler", produced by the New York Journal of Commerce. The Tickler is a specialized telephone directory covering all of the elements in the Port, completely listing all pier locations and their telephone connections, and the names of persons performing the multitude of functions in the Port.

The Port Commission induced the New York Journal of Commerce to produce such a book for the Port of Boston, to be used for distribution to all logical organizations in the Boston Port area and to be used as a promotional device by our sales staff. We were pleased to see this idea realized during the year with the production of a "Boston Tickler" of 30 pages, with attractive front and back covers. It was an immediate success, and the Commission plans to co-sponsor publication of annual editions which we are confident will grow in content each year.

Without detailing here all of the functions of the Commission's public relations operations, we can safely say that all of the recognized tools and techniques employed by large enterprises to carry their messages as to their products and services to the public, as well as their economic value to the community, were employed by the Commission. A regular system for informing the regular news media -- newspapers, radio and television news organizations, general and special magazines through official releases from the Commission, was in force.

Information requests of all kinds, from writing of special articles on the Port for publications all over the world, to students' requests for material, were handled. One example was the publication in October 1956 of a special article, with layout of pictures on the Port of Boston, in Italy, in a publication called the Italian Newsletter. This publication is sent each month to 8000 top management men in Italian industry.

EXHIBITS. Another accepted technique in good public relations is the development of exhibits. Several times during the year, the Commission set up exhibits, with models and pictures of the facilities. At trade shows and other events, the Commission maintained manned booths to bring its story and services to additional markets.

PORT TOURS. Several times during the year, in cooperation with the Boston Pilots, the Commission organized inspections of Port facilities by groups who represented important business-getting elements for the Port of Boston.

In conclusion, the Commission has been very conscious of the necessity for continually improving its communications--to its markets, to the people in the interrelated maritime and transportation industries, to the public at large, to agencies of government and to its own staff, all with one objective--the advancement of the Port of Boston.

ADVERTISING SCHEDULE FOR PORT OF BOSTON COMMISSION (MAGAZINES)

1956

<u>PUBLICATION</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>
TRAFFIC WORLD			9/21 1 Page \$475.	10/27 1 Page \$475.	11/17 1 Page \$475.	12/22 1 Page \$475.
WORLD PORTS			1 Page \$300.			
GREATER BOSTON BUSINESS			1 Page \$149.			
SHIPPING DIGEST			9/8 1 Page \$130.	10/29 1 Page \$130.	11/5 1 Page \$130.	12/26 1 Page \$130.
EXPORT BUYER				1 Page \$350.		
EXPORT TRADE & SHIPPER					11/26 1 Page \$185.	
SEAPORTS & TRANSPORTATION WORLD					1 Page \$100.	

ANNUALS - CUSTOM HOUSE GUIDE - 1 Page - \$165.

TRANSPORTATION TELEPHONE TICKLER - 2 Pages - \$340.
(Special Section)

ADVERTISING SCHEDULE FOR PORT OF BOSTON COMMISSION (MAGAZINES)1957

<u>PUBLICATIONS</u>	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>
TRAFFIC WORLD	1 page \$435.	2/2 1 page \$475.	3/9 1 page \$475.		5/11 1 page \$475.	
WORLD PORTS	1 page \$300.		1 page \$300.			
SHIPPING DIGEST		2/11 1 page \$130.	3/18 1 page \$130.		5/20 1 Page \$130.	
SEAPORTS & TRANSPORTATION WORLD		1 Page \$100.	1 Page \$100.		1 Page \$100.	
NEWSWEEK INTERNATIONAL			1 page \$400.			
GREATER BOSTON BUSINESS	1 page \$149.					
NEW ENGLANDER	1 page \$250.					

ADVERTISING SCHEDULE FOR PORT OF BOSTON COMMISSION (NEWSPAPERS)

1956

<u>PUBLICATION</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>
JOURNAL OF COMMERCE			9/26 300 li. \$210.	10/15 300 li. \$210.	11/28 300 li. \$210.	12/7 300 li. \$210.
MONTREAL GAZETTE				200 li. \$336.	200 li. \$336.	200 li. \$224.
HAMILTON SPECTATOR			200 li. \$52.	200 li. \$52.	200 li. \$52.	200 li. \$52.
TORONTO STAR			200 li. \$170.	200 li. \$170.	200 li. \$170.	200 li. \$170.
WORCESTER TELEGRAM GAZETTE			9/23 200 li. \$78.	10/7 200 li. \$78.	11/18 200 li. \$78.	12/23 200 li. \$78.
SPRINGFIELD SUN. REPUBLICAN			9/30 200 li. \$50.	10/14 200 li. \$50.	11/18 200 li. \$50.	12/23 200 li. \$50.
MANCHESTER UNION LEADER				10/19 200 li. \$34.		
HARTFORD COURANT			9/21 200 li. \$66.	10/9 200 li. \$66.	11/13 200 li. \$66.	12/11 200 li. \$66.
PROVIDENCE JOURNAL				10/9 200 li. \$100.		
LAWRENCE EAGLE TRIBUNE				10/10 200 li. \$36.		
LOWELL SUN				10/7 200 li. \$38.		
NEW BEDFORD STANDARD TIMES				10/21 200 li. \$40.		
HOLYOKE TRANSCRIPT TELEGRAM					11/8 200 li. \$26.	
BERKSHIRE EAGLE			9/26 200 li. \$32.	10/8 200 li. \$32.	11/20 200 li. \$32.	12/21 200 li. \$32.

ADVERTISING SCHEDULE FOR PORT OF BOSTON COMMISSION (NEWSPAPERS)

1957

<u>PUBLICATION</u>	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>
JOURNAL OF COMMERCE	1/28 300 li. \$210.	2/16 300 li. \$210.	3/1 300 li. \$210.	4/15 300 li. \$210.	5/22 300 li. \$210.	6/10 300 li. \$210.
MONTREAL GAZETTE	1/30 \$56.	200 li. \$224.	200 li. \$224.			
TORONTO STAR	1/31 200 li. \$180.	2/15 200 li. \$180.	3/15 200 li. \$180.			
WORCESTER TELEGRAM GAZETTE	1/30 200 li. \$78.	2/11 200 li. \$78.	3/11 200 li. \$78.	4/8 200 li. \$78.	5/13 200 li. \$78.	6/10 200 li. \$78.
SPRINGFIELD REPUBLICAN	1/20 200 li. \$50.	2/24 200 li. \$50.	3/31 200 li. \$50.	4/28 200 li. \$50.	5/31 200 li. \$50.	6/30 200 li. \$50.
PROVIDENCE JOURNAL	1/3 200 li. \$40.		3/18 200 li. \$100.		5/13 200 li. \$100.	
BERKSHIRE EAGLE	1/31 200 li. \$32.	2/12 200 li. \$32.	3/20 200 li. \$32.	4/8 200 li. \$32.	5/17 200 li. \$32.	6/26 200 li. \$32.
NY. TIMES	1/4 200 li. \$398.					

SECTION III
TRAFFIC DIVISION

23.

During fiscal 1957 the Traffic Division continued to perform the usual services to shippers, carrier representatives and the Promotion Division, furnishing information related to costs of transportation and a description of the services available via the Port of Boston.

The Division continued its careful scrutiny of the rate and charge proposals of rail motor and ocean carriers, and as a result of this valued activity persuaded the carriers to publish rates on the proper relationship to or from Boston in order that the Port of Boston would not have a rate barrier established which might induce cargo to move via other ports. Particulars on these matters are as follows:

By Railroad Carriers:

Chrome Ore to Smithville, Ont.
Butter from Mexico, N. Y.
Milk from Sinclairville, N.Y.
Synthetic Rubber from Sarnia, Ont.
Zircon Ore to Grove City, Pa.
Radio Sets from Syracuse, N. Y.
Dates to Chicago, Ill.
Dates to Urbana, Ohio
Hides, Pelts, Skins to Johnstown and Gloversville, N. Y.
Cocoa Beans to Milwaukee, Wisconsin
Green Coffee to Chesterville, Ont.
Cement Making Machinery from Milwaukee, Wisconsin
Manganese Ore to Arthur, Mich., and E. Clinton, Ill.
Nickel Oxide Sinter to various points in Midwest
China Clay to Wisconsin Rapids, Wisconsin
Chicle to Toronto, Ont.
Pineapple Juice to Canadian Points
30-day free time on Government export freight.

By Ocean Carriers:

Canned Pineapple and Pineapple Juice from Hawaiian Islands

By Motor Carriers:

None

This activity on our part, carried on for the past several years, has shown productive results. The several modes of carriers are now watching these proposals in the embryonic stage and are more or less automatically protecting the Port of Boston's best interests by initiating on their own corrective action to keep our rates in line with those of our competitors. Nevertheless, it is essential that we maintain our continual watch on these matters for reduced rates published to cover a particular movement via a competing port have a habit of becoming permanent, and Boston cannot afford to permit other ports to obtain any more rate advantages.

The activities of the Traffic Division before the Federal regulatory bodies, the Interstate Commerce Commission and the Federal Maritime Board are directed to the removing of rate discriminations or disadvantages which prohibit cargo from moving via Boston, to the maintaining of the few advantages which are productive of cargo that Boston holds over competing ports, and to the increasing of the frequency and the types of steamship service available to shippers via Boston.

Our activities before the regulatory bodies during fiscal 1957 were as follows:

IRON ORE CASE - I.C.C. Docket I&S 6074

In our previous annual reports we have told of the activities in the Rate Case wherein the railroads serving the ports of Boston, New York and Philadelphia were endeavoring to prove the lawfulness of rates in the same amount as the rate from Baltimore to the Youngstown, Ohio, iron ore consuming district. The Port of Boston Commission supported the Boston

railroads in this proceeding. Briefs were filed in March 1955. The Examiner's Proposed Report was filed in July 1955, and with the Boston parties and others taking exception, the case was set for oral argument before the entire Interstate Commerce Commission in January 1956.

On October 26, 1956, the Interstate Commerce Commission issued its final report and order in this case, and found the proposed rate from Boston was below a reasonable level (not fully meeting the railroad's out-of-pocket cost), while also finding parity of rates for the ports of New York and Philadelphia with Baltimore to be lawful, and that it would be unlawful for the Baltimore lines to undercut this level of rates and thereby restore the differentials.

The Baltimore interests appealed this decision, insofar as it affected Baltimore, to a three-judge Federal Court in Baltimore, and the Boston & Maine Railroad, together with the New Haven Railroad and this Commission, appealed the adverse Boston part of the Interstate Commerce Commission decision to a three-judge court in Boston.

Briefs were filed and the cases were argued January 21 and 22 in Baltimore, and April 17 in Boston.

On May 22 the Baltimore Court found that the Interstate Commerce Commission was in error in finding parity of rates proper for New York vs. Baltimore and ordered the tariffs cancelled. The Baltimore Court also found the Interstate Commerce Commission had insufficient grounds to prescribe a parity of rates between Philadelphia and Baltimore and remanded that phase of the case back to the Interstate Commerce Commission for further considera-

tion. This court decision was a highly controversial one, going counter to well-accepted precedents. The Philadelphia and New York interests, joined by the Interstate Commerce Commission and the Department of Justice, have appealed this decision to the United States Supreme Court.

In the Baltimore Court Case, the Port of Boston Commission and the Boston railroads supported that part of the Interstate Commerce Commission decision which precluded the Baltimore lines from restoring the differential by undercutting the level at which parity was sought, and their view was upheld by the Court.

On June 27, 1957, the Boston Court handed down a decision which found the Interstate Commerce Commission was within lawful bounds in finding the proposed Boston rate below a reasonable level because the Interstate Commerce Commission has discretionary powers to determine whether a rate is compensatory.

The Commissioners of the Port of Boston being of the view that the Interstate Commerce Commission decision and the Boston Court findings would be difficult to reverse, determined that the case should not be appealed to the Supreme Court.

While the outcome of the Iron Ore Case was disappointing, it is the common view that no damaging precedent has been established which could be harmful in the Port Parity Case.

The Boston railroads and the Port of Boston Commission entered the Iron Ore Case endeavoring to obtain some assurance from the Interstate Commerce Commission that competitive rail rates could be charged from Boston to the interior, prior to undertaking studies into the feasibility of constructing a modern iron ore unloading pier in this Port, in order to then participate

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in the growing import iron ore business. It is generally understood iron ore or any other low grade commodity will not move against a differential. It would not be prudent to construct a \$10,000,000 bulk ore unloading facility unless some assurance could be obtained that the facility would be used to a sufficient degree to warrant its construction.

With lack of parity rates the railroads and this Commission have no incentive to proceed with endeavors to attract iron ore traffic to Boston. However, Mystic Iron Works, a division of Eastern Gas & Fuel Associates, in recent years has been importing approximately 250,000 tons of iron ore annually, over its own pier in Everett. The pier is not modern and Mystic Iron Works has recently determined that its pier should be modernized and is proceeding to do so. It develops that the most economical structure for Mystic Iron Works' own needs is one which can accommodate approximately four times its annual imports. When the pier is placed in service the Company will give consideration to making the surplus capacity available to other importers of iron ore. When this comes about, Boston will have another opportunity to re-examine its participation in the importing of iron ore destined to the interior.

PORT PARITY - I. C. C. DOCKET I&S 6615

In the preceding annual report we described how, as a result of stimulation by this Commission, the three Boston railroads, Boston & Maine, New York Central and New York, New Haven & Hartford, published tariffs with reduced rates on the Baltimore level, which were intended to eliminate the long standing adverse North Atlantic port differentials. These tariffs were suspended

by the Interstate Commerce Commission in July 1956, as were like tariffs published on behalf of New York as well as tariffs published by the Baltimore, Hampton Roads, and Philadelphia lines, which purported to restore the port differentials. Thus was started Investigation and Suspension Docket 6615, Equalization of Rates, North Atlantic Ports. Since that time this Division, our attorneys and the expert witnesses we have secured, all under the leadership of former Commissioner Petersen, have worked long hours in obtaining, analyzing and placing in acceptable form a multitude of factual data relating to the competitive waterborne commerce of the North Atlantic Ports. During this time it was necessary for all concerned to meet regularly at New York and at Boston, with officials of the Boston and New York railroads and the Port of New York Authority in order to coordinate all effort in this great undertaking.

This case was originally set for hearing early in 1957, but because the railroads experienced difficulty in obtaining certain factual data which was deemed essential for the proper prosecution of the case, it became necessary to seek postponements of the hearing dates. Finally, on June 23, 1957, the Boston-New York group served their evidence in the form of verified statements in lieu of direct oral testimony, with exhibits, on all parties of record in anticipation of a hearing for the purpose of cross-examination to be held in July. Those that oppose equalization prevailed upon the Interstate Commerce Commission to grant a further postponement of the cross-examination until the Fall. Meanwhile they will prepare their evidence in the form of verified statements for submission to

all parties of record prior to the hearing.

The Port of Boston Commission was fortunate in obtaining the services of several outstanding transportation experts to testify on behalf of port parity. They are Mr. William H. Day, Manager, Transportation Department, Greater Boston Chamber of Commerce; Mr. John J. Halloran, Manager, Maritime Association of the Greater Boston Chamber of Commerce and retired Vice-President of Sprague Steamship Company and former Chairman of the Port of Boston Authority; Mr. John F. O'Halloran, Executive Vice-President, Wiggin Terminal Company and former Director, Port of Boston Commission; Dr. George Ellis, Vice-President, Federal Reserve Bank of Boston, nationally known business economist; Professor D. Phillip Locklin, Professor of Transportation, University of Illinois and nationally known transportation consultant; and Mr. Benjamin J. Brooks, prominent Washington transportation rate expert.

In addition to the work of these five men, Port Parity was well supported, at the suggestion of this Commission, by the Chicago Board of Trade and several prominent grain companies in the Midwest, by the United States Department of Agriculture, and by the General Services Administration.

Further support at the time of the hearing is anticipated from the Mayor of Boston, the Associated Industries of Massachusetts, the New England Industrial Traffic League and the World Trade Center in New England, Inc.

At this writing we are planning on the hearing for the purpose of cross-examination to be held in Washington commencing February 17, 1958. Once the initial hearings are completed, it

is felt further hearings will be required for the purpose of rebuttal, followed sometime late in 1958 by the filing of briefs. The initial Interstate Commerce Commission proposed report cannot be expected prior to 1959.

DISTORTIONS OF EXISTING PORT DIFFERENTIALS BY PERCENTAGE
INCREASES IN RAILROAD FREIGHT RATES

The basic Port differentials find the Boston rates the following amounts in excess of the Baltimore rates, on import freight, classes one and two, 8¢ per hundred pounds, and 3¢ per hundred pounds on all other classes. On export freight the differential is 3¢ per hundred pounds on all classes. There are exceptions to the differentials first mentioned but the exceptions need not be mentioned here.

Since 1946, resulting primarily from the increase in costs which has overtaken the world, the railroads have had occasion to seek and obtain from the Interstate Commerce Commission thirteen separate increases in freight rates, all of which have been applied to the then existing rates in the form of percentage increases. The result has been a distortion of the differentials. The 8¢ differential had grown to as high as 16¢, the 3¢ differential had become 6¢ and 7¢. The above distortions in the differential are in respect to the Boston-Baltimore competitive relationship.

There is a Boston-New Orleans differential relationship which finds Boston's rates basically variable amounts over New Orleans ranging from 18¢ per hundred pounds down to 3¢ per hundred pounds. These differentials have also been distorted by the percentage increases so that the Boston-New Orleans

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differential of 18¢ grew to be 31¢.

Late in 1956 the railroads again sought percentage increases in freight rates, which if granted would have further aggravated the differential relationship. The Boston-New Orleans differential of 18¢ could have become 50¢, if the railroads' request was granted in full.

The Traffic Division advised the Commissioners of the Port of Boston Commission of the distortion problem and of the fact that while it was difficult enough to obtain cargo for the Port of Boston on the customary differential basis, should the differential not be restored to the customary level, the Port was in danger of losing what little mid-west business it was currently handling. The Commission directed the Traffic Division to actively participate in the case before the I. C. C. docketed as Ex Parte 206, Increased Freight Rates, Eastern, Western, Southern Territories 1956.

The Traffic Manager prepared and filed a verified statement and nine comprehensive exhibits which vividly illustrated the port differential distortion problem. Counsel was engaged to file a brief and orally argue the case before the I.C.C. In the I.C.C. report and order of August 6, 1957, it found the differential distortion harmful to the commerce of the ports and ordered the railroads throughout the country to restore the customary port relationships by November 25, 1957. The I.C.C. used the evidence, submitted in behalf of this Commission, as the basis for the facts underlying its decision.

While the solution to the port relationship problem rests

with port parity, the Port Commission's activity in Ex Parte 206 is felt to be the best stop-gap measure available in the meantime.

DORMANT RIGHTS OF DOMESTIC WATER CARRIERS SUBJECT
TO REGULATIONS OF INTERSTATE COMMERCE COMMISSION

In our preceding annual report we describe the Commission's activities before the I.C.C. in Docket W-376, Sub.13, Pan Atlantic Steamship Corporation, Extension, Intercoastal wherein the Commission is endeavoring to bring back at least in part inter-coastal steamship service via the Port of Boston to its pre-World War II frequency of service. In this proceeding we are endeavoring to persuade the I.C.C. to so condition the Certificate of Public Convenience and Necessity of the Pan Atlantic Line as to insure service to Boston no less frequently than twice a month.

In this proceeding during fiscal 1956 the Traffic Division actively participated before the I.C.C. and prepared and filed a brief in the Spring of 1956. Our brief was copied verbatim by the Los Angeles Chamber of Commerce which substituted Los Angeles wherever Boston appeared, and filed it in this same proceeding. When the Examiner in his proposal report failed to give full consideration to Boston's position, the Commission directed that we take exception to the Examiner's report and appeal the case to the entire Commission of the I.C.C. Accordingly, counsel was engaged to file such exceptions, and at this writing we are anticipating that the I.C.C. final report and order will be issued shortly.

A Certificate of Public Convenience and Necessity is granted only the carrier demonstrates that it is fit, willing and able to perform the service applied for, and then only when the

present or future public convenience and necessity require that the service be performed. There is no question relating to the applicant's ability to serve Boston. It has many ships, eight of which are now being converted for use in a lift-on-lift-off, "fishy back" operation, both coastwise and intercoastal, in conjunction with both railroads and motor carriers. There is also no question relating to the New England shippers' need for this type service, and the Port Commission is doing all in its power to obtain such service for New England industry via the Port of Boston.

FEDERAL MARITIME BOARD DOCKET 816, INVESTIGATION
OF TERMINAL RATES, CHARGES AND PRACTICES, ATLANTIC
AND GULF PORTS

There is a wide variance in the rates or charges and the practices of the terminal operators at the Atlantic and Gulf Ports. The rates or charges are for several purposes such as wharf usage, dockage, etc., and are levied against the steamships and the cargo. The practices too, such as freetime periods, etc., vary according to what the individual terminal operator feels his competitive needs may be. Competition in the waterborne commerce field is very keen, and as a result the various charges and practices have gravitated to a very low level which promises trouble for the terminals in the future. In Baltimore, Philadelphia and Hampton Roads, the terminal operators have granted concessions to the steamship lines, while in New York the steamship lines grant concessions to the shippers.

These concessions have a great bearing on the routing of cargo via one port in preference to another.

During fiscal 1957, at the insistence of terminal operators and port organizations including this Commission, the Federal Maritime Board instituted an investigation, Docket 816, which will delve into the lawfulness of the rates, charges and practices at all Atlantic and Gulf ports. This Commission as the operator of Commonwealth Pier #5 in South Boston, is named as a respondent as are all other terminal operators in Boston, as well as the terminal operators at all ports with which Boston competes.

While the Federal Maritime Board instituted this investigation on March 11, 1957, it is now going through many relatively unimportant preliminaries, and it is anticipated the investigation will begin to move forward in the Fall of 1957.

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The Traffic Division continued to maintain membership in, and actively participate in the work of many organizations associated with transportation and the movement of commerce through the Port of Boston. These organizations are:

New England Industrial Traffic League - Director; Exec. Comm.
Chairman, Foreign Trade and Water Transportation Committee

Traffic Club of New England

Foreign Commerce Club of Boston

National Industrial Traffic League - Member, Export and Import
Committee

Association of Interstate Commerce Commission Practitioners,
Director, Regional Chapter No. 1

North Atlantic Ports Conference - Executive Committee; Port and
Terminal Committee; Rates, Charges and Practices Committee

North Shore Traffic Club - Program Chairman

New England Shippers' Motor Carrier Conference - First Secretary

New England Shippers' Advisory Board - Director.

STATISTICS DIVISION

The Statistics Division of the Port of Boston Commission has undertaken the task of supplying to the shipping public, the reaearcher, and related groups, as well as to the other divisions of the Commission complete and detailed information on all phases of activity in the Port of Boston.

Since 1949, each vessel entering or leaving the Port of Boston has been listed and catalogued as to type, flag, agent, berth, etc., and its cargo compiled as to commodity, port and country of shipment or destination, etc. In addition, its passengers, if any, are tabulated as to number of arrivals or departures, country of embarkation or debarkation; and daily records of longshoremen employment maintained to indicate names and berths of vessels worked, stevedores, and types of operation in progress throughout the Port.

The collection, tabulation, presentation, and analysis of the huge volume of data permits the Port of Boston Commission, through the Statistics Division, to supply almost any type of detailed information when so requested, in keeping with the directives of the enabling act and performing the functions entrusted to the Commission in furthering the interests of the Port of Boston.

In the past few years, due to the intense interest and awakening by the general public to the importance of its Port, the requests for this detailed information have increased considerably in volume. Requests from agencies in foreign countries give proof of the increased interest abroad in the

The first part of the paper discusses the importance of the study of the history of the United States. It is argued that a knowledge of the past is essential for a full understanding of the present. The author then proceeds to discuss the various factors that have shaped the development of the United States, including the role of the government, the influence of the economy, and the impact of the culture.

In the second part of the paper, the author examines the role of the government in the development of the United States. It is argued that the government has played a central role in the shaping of the nation, from the early days of the colonies to the present. The author then discusses the various policies and programs that have been implemented by the government, and the impact of these on the development of the United States.

The third part of the paper discusses the influence of the economy on the development of the United States. It is argued that the economy has played a central role in the shaping of the nation, from the early days of the colonies to the present. The author then discusses the various factors that have influenced the development of the economy, including the role of the government, the influence of the culture, and the impact of the technology.

Finally, the author discusses the impact of the culture on the development of the United States. It is argued that the culture has played a central role in the shaping of the nation, from the early days of the colonies to the present. The author then discusses the various factors that have influenced the development of the culture, including the role of the government, the influence of the economy, and the impact of the technology.

Port of Boston. In some instances, the information requested involved data covering earlier years of the Port, and for this purpose, a reference library has been compiled and is being expanded to include early volumes on the Port.

Current data on the Port of Boston is maintained as up to date as possible. In many instances, this data is available while the cargo or vessel is still on the high seas. A recent decision by the Federal Government to lift its wartime ban on export information has provided an important new source of primary data for its export statistics. This material will provide information on export traffic patterns through the Port which was hitherto unavailable. The Commission is undertaking the publishing of an export bulletin on a weekly or monthly basis for the use of all port interests and shippers.

BOSTON PORT COMMERCE SUMMARY *

Nearly 6,000 vessels of all types loaded or landed 20,687,278 short tons of cargo in the Total Waterborne Commerce of the Port of Boston in the calendar year 1956. This was an increase of 8%, or 1,541,740 short tons over the calendar year 1955. This increase is accounted for as follows:

Imports	increased	31,401 S/tons
Export	"	532,360 "
Coastal	"	501,957 "
Intra-port	"	513,332 "
Intercoastal	decreased	37,310 "

This total tonnage of 20,687,278 short tons set a new high in the history of the Port of Boston and far exceeded the goal of 20 million tons which only a few short years ago was considered by the most optimistic as the apex of the revival of the Port. Indications for the current year of 1957 are that this record will be at least equalled, or even exceeded.

*Comparative data shown on p. 3 of report is by U.S. Army Engineers. This data compiled from primary sources by Statistics Division of The Port of Boston Commission.

In performing its principal function as the gateway of the area to the world, the Port of Boston's tonnage is comprised of roughly 85% of bulk or raw material, and the balance of miscellaneous or sundry cargoes. It is through the handling of these bulk commodities that any port makes its most valuable contribution to the economy of the surrounding area, and for this reason the volume of these commodities is a good yardstick of future industry in that particular area served. The proximity of certain industries to the Port area illustrates their dependence upon a source of low-cost waterborne transportation.

This factor of location can often be the deciding one in attracting new industry to the area. Thus the Port becomes the greatest asset to the area by the handling of bulk cargoes.

General cargo in the Port of Boston consists almost exclusively of commodities going to, or coming from, foreign countries, although some general cargo is handled in the inter-coastal trade with U. S. West Coast ports.

IMPORTS

Total imports through the Port of Boston in the calendar year 1956 amounted to 5,313,966 short tons, an increase of 31,401 short tons over 1955, and 13,520 short tons more than the previous record year of 1951. The foreign value of these goods prior to shipment was close to half a billion dollars, so that the U.S. value of these goods imported to their destination would be closer to three-quarters of a billion dollars without further processing. Using this latter figure

as a basis for comparable values, the ratio of imports over exports, based upon dollar value is approximately 6.8 to 1, and in tonnage this ratio is 4.7 to 1.

Imports of Petroleum Products and Sugar in 1956 increased 50,825 and 28,062 Short Tons respectively over 1955 and offset the decline in Import Iron Ore over the same period amounting to 80,812 Short Tons. Significant increases were registered in crude rubber, lumber, iron and steel products, hides and skins, etc., as shown in the table of leading import commodities on page 44 of this report. Import tonnages from various countries for a 4-year period are shown on page 45 .

Customs' collections of duties and excise taxes on imports etc. shown on page 43 are for the fiscal year ended June 30, 1957. A comparison with the fiscal year 1956 indicates a decrease of approximately 5 million dollars in import duties. This corresponds to the decrease of 13.6% in import tonnage in the first six months of the current calendar year compared to the same period of 1956. Preliminary figures on import tonnage available for the first nine months of the current year of 1957 show a decline of 10.4% from the same period of 1956. This decline has been attributed to a sharp drop in imports of foreign petroleum due to the diversion of tankers and the Middle East crises early in the year.

EXPORTS

Total exports from the Port of Boston in the calendar year 1956 amounted to 1,141,485 short tons, a gain of 532,360 short tons or 87.4% over the calendar year 1955. This gain was realized principally through increases over 1955 in the following export-commodity groups:

Grains	increased	439,447	Short Tons
Coke	"	60,651	" "
		(none in 1955)	
Scrap Steel	"	50,810	Short Tons

Total value of all exports, based upon selling price or cost in lieu of sale, has been placed at over 110 million dollars. Principal components of this export movement are: bulk shipments such as grain, coke, etc. of variable values; finished goods such as machinery, chemicals, and other high value commodities; and waste or salvage materials of relatively low values, such as scrap metals, rags, and the like. This latter group has shown considerable increases, particularly such items as nylon or synthetic fibre wastes, synthetic rubber wastes, and other by-products of nearby industry. For such commodities, proximity to the Port area is responsible for the shipments.

Over nineteen and a half million bushels of export grain passed through the Port in 1956, and for 10 months of the current year 1957, the total export grain movement amounted to twenty-five and a half million bushels, a gain of over 79% over the same period of 1956. Total for 1957 is expected to surpass thirty-one million bushels.

Total exports for the first 9 months of 1957 indicate an increase of 388,933 Short Tons or 48.4% over the same period of 1956.

Page 46 of this report itemizes tonnages recorded in the export movement of the twenty-five leading commodities in 1955, with the tonnages for the calendar year 1956, and in addition, tonnage in the new export coke movement in 1956. Details of Exports by individual countries showing tonnages and values have been omitted from the report in the interests of brevity.

The British Isles, with 295,485 Short Tons, valued at over twenty-two million dollars accounted for over one-fourth of the tonnage and one-fifth of the value of all exports from the Port of Boston.

FOREIGN PASSENGER-TRAVEL BY SEA

Passengers in foreign travel by sea, embarking or disembarking at the Port of Boston in the fiscal year ended June 30, 1957, numbered 8,036 persons as follows:

Arrivals	3,618
Departures	4,418

Travel between the Port of Boston and European ports accounted for almost 75% of the total, or 82.8% of the departures and 63.6% of the arrivals. As a result of this volume, the Port of Boston maintained its standing of second in trans-Atlantic travel. In comparing the first six months of 1957 with a similar period of 1956, it is noted that departures from the Port increased 48.9%, and departures for European ports increased 54.2%. Continued expansion is expected.

BOSTON PORT COMMERCE

The total waterborne commerce of the Port of Boston, as compiled from official sources, is given below in tons of 2,000 lbs. The data are provisional.

<u>CALENDAR YEAR</u>		<u>TOTAL TONS</u>			
	1956	20,687,278			
	1955	19,145,538			
	1954	17,580,131			
	1953	17,803,354			
	1952	19,237,945			
	1951	18,976,880			
 <u>COMPARISON</u> (By <u>Calendar Years</u>)					
	<u>1956</u>	<u>1955</u>	<u>1954</u>	<u>1953</u>	<u>1952</u>
	<u>S/Tons</u>	<u>S/Tons</u>	<u>S/Tons</u>	<u>S/Tons</u>	<u>S/Tons</u>
Imports	5,313,966	5,282,565	4,623,216	4,972,908	4,958,366
Exports	1,141,485	609,125	431,517	309,851	420,438
TOTAL	6,455,451	5,891,690	5,054,733	5,282,759	5,378,804
 Intercoastal					
In	262,828	290,779	252,925	245,138	207,387
Out	68,769	78,128	85,197	92,490	76,238
TOTAL	331,597	368,907	338,122	337,628	283,625
 Coastal					
In	11,415,677	10,969,841	10,723,651	10,764,106	11,359,901
Out	861,616	805,495	515,308	424,827	618,247
TOTAL	12,277,293	11,775,336	11,238,959	11,188,933	11,978,148
Intraport	1,622,937	1,109,605	948,317	994,034	1,597,368
 TOTAL PORT					
TRADE	20,687,278	19,145,538	17,580,131	17,803,354	19,237,945

IMPORT AND EXPORT TRAFFIC (TONS OF 2,000 LBS.)

1956	5,313,966	1,141,485	6,455,451
1955	5,282,565	609,125	5,891,690
1954	4,623,216	431,517	5,054,733
1953	4,972,908	309,851	5,282,759
1952	4,958,366	420,438	5,378,804
1951	5,300,446	430,720	5,731,166

GENERAL CARGO AND MISCELLANEOUS COMMODITIESHANDLED AT GENERAL CARGO PIERS

<u>CALENDAR YEAR</u>	<u>TOTAL</u>	<u>IMPORT</u>	<u>EXPORT</u>	<u>INTERCOASTAL</u>		<u>COASTAL</u>	
				<u>IN</u>	<u>OUT</u>	<u>IN</u>	<u>OUT</u>
1956	2,132,123	843,313	1,007,088	212,953	68,769	---	---
1955	1,670,217	743,153	593,776	225,124	78,128	25,704	4,332
1954	1,616,514	740,727	419,375	252,925	85,197	103,996	14,294
1953	1,678,436	894,752	306,497	245,138	92,490	126,749	12,810
1952	1,426,261	719,885	415,923	207,387	76,211	6,137	718

* VESSELS ENTERING BOSTON HARBOR

<u>CALENDAR YEAR</u>	<u>GENERAL CARGO</u>	<u>BULK CARRIERS</u>	<u>COLLIERS</u>	<u>TANKERS</u>	<u>TOTAL</u>
1956	1,221	264	210	685	2,380
1955	1,288	228	163	630	2,309
1954	1,334	191	157	628	2,310
1953	1,250	194	209	621	2,274
1952	1,183	169	273	676	2,301
1951	1,237	189	274	620	2,320
1950	1,527	220	254	800	2,801
1949	1,329	206	268	762	2,565

* Over 1,000 Gross Tons

TABULATIONS SHOWING CUSTOMS RECEIPTS BY TEN
LEADING DISTRICTS, FISCAL YEAR 1957 *
(in Dollars)

<u>District</u>		<u>Duties on Imports</u>	<u>Miscellaneous Customs Collections</u>	<u>Excise Taxes</u>	<u>Total</u>
New York	# 10	359,859,065.35	1,324,064.04	94,708,473.34	455,891,602.73
Detroit .	# 38	21,739,377.65	39,319.05	50,349,497.14	72,128,193.84
Los Angeles	# 27	36,715,156.49	354,092.99	17,167,274.22	54,236,523.70
Boston	# 4	41,859,827.42	259,255.48	7,111,294.62	49,230,377.52
Philadelphia	# 11	42,623,552.01	524,604.13	4,690,718.66	47,838,874.80
Chicago	# 39	20,602,485.62	64,901.89	23,874,884.96	44,542,272.47
San Francisco	# 28	25,815,028.72	283,784.07	12,217,002.31	38,315,815.10
Ogdensburg	# 7	9,174,236.02	27,827.52	22,981,202.75	32,183,266.29
New Orleans	# 20	23,409,935.66	337,873.15	2,852,586.78	26,600,395.59
Baltimore	# 13	18,998,221.09	381,016.13	5,424,438.36	24,803,675.58

* Source: Treasury Department, Bureau of Customs.

PORT OF BOSTON IMPORTSTWENTY-FIVE LEADING COMMODITIES RANKED BY WEIGHT
(Short Tons)

	<u>1956</u>	<u>1955</u>	<u>1954</u>	<u>1953</u>	<u>1952</u>
<u>TOTAL IMPORTS</u>	<u>5,313,966</u>	<u>5,282,565</u>	<u>4,623,216</u>	<u>4,972,908</u>	<u>4,958,366</u>
<u>RANK COMMODITY</u>					
1. Petroleum Prod.	3,559,565	3,508,740	3,087,491	3,142,887	3,421,542
2. Sugar	465,611	437,549	452,237	507,119	452,334
3. Gypsum	240,133	249,012	215,841	203,995	192,688
4. Iron Ore	169,133	249,945	60,062	62,136	64,994
5. Woodpulp	114,973	110,354	115,946	137,247	76,227
6. Wool (all grades)	75,364	74,676	78,328	122,547	143,905
7. Iron & Steel Prod.	60,182	43,964	37,809	51,967	43,296
8. Lumber	58,179	45,974	75,060	92,401	22,209
9. Rubber (Crude)	52,016	49,094	33,029	33,392	24,752
10. Molasses	32,559	41,137	22,476	70,449	63,149
11. Hides, Skins & Pelts	28,793	21,918	18,657	24,606	25,379
12. Sisal	24,456	32,432	15,879	20,988	29,752
13. Cocoa beans	23,333	18,768	26,954	19,410	24,001
14. Pineapple, Canned	23,126	26,860	25,415	30,503	11,445
15. Coffee	18,671	17,302	23,300	30,158	33,950
16. Latex	17,694	26,464	25,052	26,809	7,761
17. Chemicals	15,547	11,740	8,006	9,780	4,445
18. Fruits & Vegetables, Canned	15,343	12,582	12,608	11,095	8,696
19. Rock Salt	14,479	4,816	5,376	none	none
20. Bagging & Burlap	13,257	10,493	13,425	12,567	14,711
21. Paper & Paper Prod.	11,437	4,926	5,043	6,533	2,307
22. Waste, Cotton	11,130	9,588	7,923	6,662	7,090
23. Fish, Canned & Preserved	10,898	10,002	6,672	5,517	3,873
24. Extract, Tanning	10,455	11,204	12,637	18,893	8,921
25. Granite & Marble	9,989	9,847	9,293	8,064	6,573

PORT OF BOSTON IMPORTS
1953 - 1956
(Short Tons)

45.

Country of Origin	1953	1954	1955	1956
Aden	531	744	438	427
Africa - North *	46,844	30,266	23,772	18,489
Africa - South *	35,581	29,648	37,570	25,418
Australia	84,609	34,790	29,066	28,134
Belgium	54,606	41,392	43,071	61,704
British West Indies	74,059	2,600	7,890	15,879
Burma	1	121	18	2
Canada	315,059	318,393	436,565	418,822
Ceylon	5,240	4,784	5,725	4,953
Cuba	460,495	358,356	377,008	458,257
Denmark	4,654	1,374	3,389	6,847
Dominican Republic	21,436	15,880	17,902	8,988
Finland	45,082	41,117	47,748	44,029
France	4,300	4,534	6,257	7,186
French Indo-China	1,317	1,660	5,574	4,303
Germany	24,378	24,183	25,068	28,454
Greece	762	749	196	---
Greenland	---	527	930	---
Guam	---	---	4	---
Haiti	---	1,884	337	---
Hawaii	27,066	28,095	22,825	21,402
Hong Kong & Formosa	15	158	459	499
India	19,635	19,356	21,826	23,352
Indonesia	23,992	19,518	16,540	21,952
Iran	1	194	2	784
Ireland	1,250	1,011	699	911
Israel	4	---	---	---
Italy	24,126	24,909	30,107	31,978
Japan	4,370	7,299	16,803	22,664
Lebanon	317	183	84	11
Malaya	32,793	32,107	45,442	38,913
Mexico	33,051	---	184	61,766
Netherlands	39,954	40,124	34,112	36,921
Netherlands West Indies	1,136,163	976,385	1,207,415	776,374
New Caledonia	1,100	---	---	---
New Zealand	21,832	18,534	19,037	24,178
Norway	7,272	4,791	4,405	5,965
Pakistan	6,915	8,393	5,882	6,447
Poland	---	33	103	107
Portugal	1,241	355	411	1,258
Philippine Isles	31,325	34,467	14,035	24,775
Puerto Rico	89,662	78,908	69,353	---
So. America - East Coast	2,071,710	2,226,325	2,467,083	2,898,073
So. America - West Coast	11,919	41,869	70,145	19,123
Spain	12,919	2,018	1,988	3,572
Sweden	112,023	90,312	85,302	92,720
Syria	33	164	3	---
Thailand (Siam)	2,115	2,547	7,321	6,908
Trieste	2,701	1,051	337	4,209
Turkey	77	30	18	---
United Kingdom	78,195	50,969	67,560	50,096
Virgin Islands	---	---	85	---
Yugoslavia	178	109	428	6,709
<u>Total</u>	<u>4,972,908</u>	<u>4,623,216</u>	<u>5,282,565</u>	<u>5,313,966</u>

* Divided at equator.

PORT OF BOSTONLEADING EXPORT COMMODITIES
(S/Tons)

<u>COMMODITY</u> <u>CODE NO.</u>		<u>CALENDAR YEARS</u>	
		<u>1956</u>	<u>1955</u>
602	Iron & Steel Scrap	331,350	284,670
103	Wheat	408,432	65,201
102	Barley & Rye	16,467	50,929
450	Standard newsprint paper	7,026	19,250
100	Corn	112,459	14,747
504	Coke	60,706	none
457	Paper & manufacture, N.E.C.	11,369	11,830
740	Textile, shoe machinery, parts	7,947	7,337
350	Wool Manufactures	4,745	6,111
555	Non-metallic minerals, manufactures, N.E.C.	4,210	5,865
853	Phosphate Fertilizer Material	---	5,763
441	Woodpulp	1,987	5,298
846	Chem. specialties, N.E.C. except SC	4,682	4,766
095	Animal Products, inedible, NEC	14,840	4,717
632	Copper alloy forms & scrap	2,597	4,670
518	Lube oils, greases except SC	3,031	4,277
035	Dried Milk & Solids	4,521	3,720
603	Iron & Steel, semi-finished products	26	3,684
207	Rubber manufactures, N.E.C.	2,793	3,356
201	Synthetic Rubber	8,200	2,928
415	Box, crate materials, plywood, ties, etc.	---	2,833
620	Copper ore, concent., scrap	961	2,715
203	Rubber, Waste & Scrap	2,761	2,680
065	Leather & manufactures	2,260	2,539
320	Cotton manufactures	799	1,890
310	Cotton, semi-manufactures	900	1,876

SECTION VO P E R A T I O N S

The tonnage and revenue at Commonwealth Pier #5 which is directly operated by the Port of Boston Commission was substantially reduced during the fiscal year ending June 30, 1957. This curtailment of activity was due to:

- (a) The movement from the pier of the Luckenbach Steamship Company, principal intercoastal carrier in the port, to Castle Island Terminal.
- (b) The renovation and modernization of the pier which restricted the space available and discouraged use of the pier by other steamship companies in the Port.

Commonwealth Pier #5

<u>No. of Vessels</u>	<u>Cargo Tons</u>		<u>Passengers</u>		<u>Total</u>	
	<u>In</u>	<u>Out</u>	<u>In</u>	<u>Out</u>	<u>Tonnage</u>	<u>Passengers</u>
162	143,143	58,298	886	2814	201,441	3700

OPERATIONS OF GENERAL CARGO FACILITIES

FISCAL YEAR ENDING JUNE 30, 1957

<u>FACILITIES</u>	<u>OPERATOR</u>	<u>NO. OF VESSELS</u>	<u>GENERAL CARGO*</u> <u>2000 Lb. Tons</u>	<u>GRAIN</u> <u>(bushels)</u>	<u>LUMBER</u> <u>F.B.M.</u>
Comm. Pier #5	Port of Boston Commission	158	198,200		
Castle Island Terminal	Luckenbach Steamship Co.	189	286,046		59,916,029
Hoosac Pier #1	Mystic Term. Company	184	101,963	7,410,191	
Mystic Pier #1	Mystic Term. Company	150	119,338		
Mystic Piers #48, 49 & 50	Mystic Term. Company	57	74,587		
East Boston Terminal	New York Central R.R. System	386	280,255	19,788,389	
Army Base Terminal	Boston Tidewater Term. Inc.	338	445,441		
Wiggin Terminal Pier #51	Wiggin Term. Inc.	19	36,762		
		1,481	1,542,592	27,198,588	59,916,029

*Definition: "General Cargo" is miscellaneous commodities transported in other than tankers and/or colliers.



SECURITY

For the necessary protection of the property under its jurisdiction, the Commission maintains a special police force of eleven men who are on duty for forty hours per week. Police Guard is maintained seven days per week, twenty-four hours per day. The members of the force are sworn in as Special Police Officers, police power being given to them by the Commissioner of Public Safety. In cooperation with the Massachusetts State Police, the Boston Police Department and the Federal Bureau of Investigation, the Commission Police investigates pilferage and other matters relating to the security and protection of the Port.

LABOR-MANAGEMENT RELATIONS

Due to the important position occupied by waterfront labor in the overall operation of the Port, the Commission continued to exercise all endeavor necessary to constantly improve relations between management and labor. Through meetings during the year between the Boston Shipping Association and representatives of Labor the problems of each group have become mutually better understood. Right Reverend Monsignor John T. Powers, arbiter of waterfront labor disputes, has vigilantly continued to promote better understanding between labor and management. We are grateful to Monsignor Powers for his continued cooperation with this Commission and Port interests.

MAINTENANCECOMMONWEALTH PIER #5

Regular maintenance by the Commission staff was continued throughout the year. Two new trackwell bridges were erected and installed. Contractors worked throughout the year on the modernization of the pier. The principal maintenance projects which were let out to private contractors were:-

Repairs & Inspection to Elevators	\$1699.90
Pest & Rat Control	900.00
Fire Alarm System	240.00
Repairs to Steel Rolling Doors	658.80
Repair & Replacement of Railroad Ties and Rails	1850.00
Repairs to Cargo Hoist Box Beam	390.00
Securing Alternate Cargo Doors - Lower Level	500.00

CASTLE ISLAND

Regular maintenance was carried on through the year by Luckenbach Steamship Company as Lessee of the facilities. The main roads were restored to good shape by contract work by the Lessee. During the year three contracts were let out by the Commission at this facility, as follows:-

Repair to Railroad Tracks	\$435.00
Grading in Lumber Terminal Area	640.00
Installing Bumpers at Certain Hydrants	506.00

HOOSAC PIER, MYSTIC PIER #1, MYSTIC PIERS #48, 49 & 50,HOOSAC PIER GRAIN ELEVATOR

Regular maintenance inspections were carried out at these facilities. Annual condition survey was made in May 1957, in conjunction with the Boston & Maine Railroad as Lessee, and Mystic Terminal Company as operators.

BOSTON AND ALBANY PIERS #1, 3 & 4,GRAIN ELEVATOR

Regular maintenance was carried on at these facilities and periodic inspections were made by the Maintenance Division.

REAL ESTATESale of Commonwealth Lands from July 1, 1956 to June 30, 1957:

1. Chase Brass & Copper Co. purchased parcel of land containing approx. 44,393 sq. ft. of land on D St., South Boston, for the sum of \$49,942.13.

Lease of Commonwealth Lands from July 1, 1956 to June 30, 1957:

1. Terminal Diner, Inc. was granted a renewal of a lease for use and occupancy of 8,000 sq. ft. on C Street, South Boston for a period of five years at an annual rental of \$800.
2. Intercity Transportation Company was granted lease for use and occupancy of 12,000 sq. ft. on C Street, South Boston for a period of five years at an annual rental of \$1,200.
3. Boston Fish Market Corporation was granted an extension of existing lease for a period of twenty years ending September 30, 1978 at an annual rental of \$36,000.

Permits for Rental of Commonwealth Lands from July 1, 1956 to June 30, 1957:

- | | |
|-------------|--|
| Permit #241 | U. S. Department of the Navy to use and occupy parcel of land on Summer Street, South Boston.
Charge: None |
| Permit #242 | U. S. Department of the Navy to use and occupy 109,264 square feet of land on E and Fargo Streets, South Boston.
Charge: None |
| Permit #243 | John Donnelly & Sons to maintain and/or erect advertising billboards on Commonwealth land.
Charge: \$100. per month |

Permit #244 Thomas Welby to use and occupy 13,000 square feet on Summer Street and the Viaduct, South Boston.
Charge: \$49.65 per month

Permit #245 D&S Freight Service to use and occupy 20,160 square feet of land and Quonset Hut under Viaduct, South Boston.
Charge: \$400 per month

Permit #246 Myron Kaufman (Hub Uniform Co.) to use and occupy 4,000 sq. ft. of land on Summer Street, South Boston.
Charge: \$60 per month

Leases of Terminal Facilities from July 1, 1956 - June 30, 1957:

Hoosac Pier

Lease with Boston & Maine Railroad was amended for use of these facilities for an additional five years, ending February 28, 1961.

The amount of rent based on 3% of \$4,543,289, paid in equal annual installments, is presently in the process of negotiation.

Hoosac Pier

Grain Elevator

Lease with Boston & Maine Railroad was amended for use of these facilities for a twenty year period ending December 31, 1975 at an annual rental of 3% of cost of premises not to exceed the sum of \$934,000; plus 5% of cost of installation of additional machinery not to exceed the sum of \$147,000, plus interest on bonds issued for funds for installation work in the amount of \$20,212.50 payable annually.

Mystic Piers 48,
49 & 50

Boston & Maine Railroad was granted a lease to use and occupy these facilities for a period of two years, ending December 31, 1958, at a rental of \$27,856, payable in equal monthly installments.

SECTION VI

53.

ENGINEERING DIVISION

During the 1957 fiscal year, the following development, construction and maintenance activities were in progress or completed in the Port:

East Boston Terminal - Negotiations with the New York Central System for the installation of a mechanically-operated box car grain dumper, reported in the previous Annual Report, resulted in an agreement in April 1957. The agreement provided for the installation of an hydraulically-operated box car dumper having a minimum capacity of 6 cars per hour, at a cost of approximately \$300,000, which expenditure is to be amortized in its entirety by the Lessee over the remaining period of the 20 year lease.

In order to expedite the completion of the installation before the Fall export movement of grain begins, the Commission purchased the dumper equipment through the State Purchasing Bureau for delivery by July, and at the same time consummated an engineering agreement with the William T. Donovan Company of Boston, consulting material-handling engineers and contractors, to prepare the required contract plans and specifications for the construction of structures and the installation of dumper equipment.

Bids were opened in May and the contract was awarded in June to the low bidder, William T. Donovan Company of Boston, at their total bid price of \$207,900. The contract provided for the completion of the dumper installation by September 15, 1957.

The contract provided for the construction of a reinforced concrete dumper pit and foundations, concrete conveyor tunnel from the dumper to the Grain Elevator, structural steel frame dumper building and conveyor gallery covered with cement asbestos siding; installation of a grain receiving hopper, the dumper purchased directly by the Commission, conveyors, trippers, communications sytem and supporting trackage.

This urgently needed facility when completed, will enable the Port of Boston to maintain a competitive level on an economic and ship-loading basis with other North Atlantic ports on the export of bulk grain. The present manual power shovel method of unloading box cars is not only costly and inadequate but is an occupational hazard.

The New York Central System, Lessee of the East Boston Terminal, proceeded with the previously established repair and maintenance of property program. During the fiscal year the fire protection standpipe was repaired and painted; the reconstruction of the trestle raodway between Piers #4 and 5 was completed; and a pile driving plant was installed for the driving of replacement timber piles supporting #4.

Investigation of the corrosion of the steel pipe piles supporting Pier #1 continued during the year. Observations and measurements indicate a continual corrosion loss of steel at mean low water, requiring an expensive cathodic protection system to preserve the piles. Although funds for preventive measures were requested in the Capital Outlay Budget for 1958, none were appropriated by the General Court. The request is

being re-submitted in the budget for 1959. Unless remedial action is taken soon, the entire investment of the Commonwealth in Pier #1 is in jeopardy.

Mystic Terminal - During the year a cooperative research project with the zinc industry on a test installation of cathodic protection system using zinc sacrificial anodes on some of the steel piles of Mystic Pier #1, was started. Periodic measurements, examinations and tests were made of protected and unprotected piles. The data obtained to date indicates a severe corrosion loss of metal at mean low water on unprotected piles, and that cathodic protection will prevent this serious deteriorating condition.

Although funds were requested for the installation of a cathodic protection system on Mystic Pier #1 in the Capital Outlay Budget for 1958, none were provided by the General Court. The request for funds will be re-submitted for inclusion in the Capital Outlay Budget for 1959, as further delay in taking corrosion preventive measures will jeopardize the Commonwealth's five and a half million dollar investment and the utility of this Port facility.

Hoosac Terminal - During the fiscal year continued progress was made on the completion of the rehabilitation program for the Grain Elevator scheduled for completion in the Fall of 1957. The modernization of the passenger elevator is underway at the time of this report. The bids were taken on the relocation of the fire protection standpipes to their original position on the outside of the elevator but were rejected as the City of Boston Fire Department had revised its requirements as to the

layout and size of the standpipes. As the cost of the revised work exceeded the funds available, the project was postponed and the Commission will request additional funds for this work in the Capital Outlay Budget of 1959.

Partial rehabilitation of the settlement of the west offices of Pier #1 was completed, consisting of the replacement of the fire escape enclosure from the second floor to the wharf apron and first floor along with the replacement of some badly cracked masonry partition walls of the first floor with insulated metal panel construction. The remainder of the settlement repair program, such as the structural frame of the grain gallery, interior walls and floors of the office, is contemplated for the latter part of 1958. A request for funds for this additional proposed work will be requested in the Capital Outlay Budget of 1959. In order to continue to operate the Grain Elevator as a public grain storage and exporting facility, it will be necessary to meet the new requirements of the City of Boston Fire Department on the installation of a dust collection system to reduce the explosion potential. Funds for this urgently needed safety improvement will be requested in the ensuing Capital Outlay Budget.

As at Mystic and the East Boston Terminals, examination of the steel piles reveals a very active corrosion condition at Mean Low Water requiring immediate corrective action.

Commonwealth Pier #5 - Modernization of Commonwealth Pier #5 to the extent provided by Capital Outlay Budget of 1955 in the amount of \$1,800,000 is practically complete. The present funds

will only partially cover modernization and rehabilitation, as the increase in construction cost from the time of the request for funds and the taking of bids made it necessary to reduce the scope of the work. During the progress of construction some unanticipated conditions requiring corrective action were also found such as the sprinkler system which has deteriorated beyond the repair stage; the underground water mains were severely attacked by electrolysis making them unreliable and inadequate; and some of the main structural members of the building were stressed excessively due to vertical and horizontal movement of the foundation. There is need to reinforce the inadequate concrete floor in the storage areas to support present-day applied live loads, and the removal of shoals in the docks to the original project depth of 40' in order that the largest passenger liners can continue to be handled at this terminal. The request for funds to complete the rehabilitation has been submitted for inclusion in the Capital Outlay Budget for 1959.

Boston Army Base - The rehabilitation of the Boston Army Base by the Federal Government was approximately 80% complete as of July 1957. It is now contemplated that the rehabilitation of the terminal to the extent of \$9,900,000 provided by the Federal Government, and the \$1,100,000 contributed by the Commonwealth of Massachusetts will be completed in 1958.

The work completed to date under the direction of the Division Engineer, New England Division, Corps of Engineers, U. S. Army, consists primarily of the construction of a concrete retaining quay wall; rehabilitation of two wharf cranes; structural repairs to the building; rehabilitation of the electrical

distribution system; modernization of the freight elevators; painting exterior structural steel and doors; replacement of tracks, drainage and pavement between the two pier sheds. The remaining work to be accomplished to complete the program is the dredging of the docks from 30 to 35' at Mean Low Water; raising the cargo outrigger of the pier sheds and cargo beam of the wharf shed to mitigate the difficulty of cargo handling to the second deck of the transit sheds caused by widening the wharf apron. The Corps of Engineers and the Commission have proposed a list of several improvements for inclusion in the general rehabilitation project in the event there is an unencumbered balance of funds after the aforementioned work is completed.

Castle Island - The first stage development of Castle Island Terminal as part of an overall program to make it one of the most modern and efficient commercial shipping centers in the country, was about 80% complete as of June 30, 1957.

The expansion and modernization of Transit Shed #1 was completed as of the first of January this year, at which time Luckenbach Steamship Company transferred their shipping activities from Commonwealth Pier #5 to Castle Island. Also during the period of this Annual Report a new underground water supply system for fire protection, ship and domestic water supply was installed.

The new water supply system was constructed with non-corrosive cement asbestos pipe, replacing the old cast iron pipe which had been severely attacked by electro-chemical action. As rising construction cost precluded the accomplishment of all the work originally contemplated under the first stage development,

additional funds were requested in the Capital Outlay Budget of 1958. This covers urgent repairs and improvements necessary to preserve the integrity of the structure and for proper operation to maintain waterborne commerce. However, no funds were provided, and the Commission is re-submitting the request in the Capital Outlay Budget of 1959. In some cases, the cost of accomplishing the necessary repairs has increased about 20% caused by additional wear and tear to the structure and rising construction costs since the last estimates a year ago.

The road conditions on the Island were deplorable during the past year. The conditions got so unbearable that the commerce and safety of the Island were in jeopardy, making it necessary for the Commission to divert maintenance funds from other needed projects to keep the roads in usable condition. This condition cannot continue to exist without adversely affecting the commerce of the Port.

WATERFRONT INDUSTRIAL DEVELOPMENT

The Commission continues to receive many inquiries from industries expressing a desire to establish a plant in the Port. One industry has concluded a satisfactory arrangement with the Commission to transfer its export tallow and storage facilities to Boston from another North Atlantic Port.

The Engineering Staff of the Commission has rendered valuable assistance to prospective industries by furnishing all pertinent site data and related information.

CORROSION INVESTIGATION

The Commission instituted during this fiscal year a cooperative research program with both the zinc and steel industries on various aspects of the corrosion of steel piles in sea water, and the use of sacrificial zinc anodes in a cathodic protection system. The investigation and studies will continue for several years and the findings will be disseminated as technical information to the industry.

PORT OF BOSTON COMMISSION

FISCAL REPORT

<u>EXPENDITURES</u>	<u>1956</u>	<u>1957</u>
0496-01 Administrative	245,169.85	266,733.67
0496-03 Freight Differential		
Rates Investigation	7,682.32	33,042.49
0496-02 Maintenance of Property	296,881.11	285,250.38
TOTAL OPERATING	549,733.28	585,026.54
2420 Serial Bonds & Notes	969,000.00	969,000.00
2410 Interest on Direct Debt	293,825.75	280,886.50
TOTAL DEBT REQUIREMENTS	1,262,825.75	1,249,886.50
TOTAL EXPENDITURE	<u>1,812,559.03</u>	<u>1,834,913.04</u>

REVENUE

Rentals, Miscellaneous	44,927.94	44,027.99
Rental, Boston Fish Pier-Pier#6	45,000.00	45,250.00
Rental, Commonwealth Railroad		
Yards	74,000.00	74,000.00
Commonwealth Pier # 5	290,475.00	229,456.89
Castle Island	77,311.02	88,750.02
East Boston Piers & Facilities	289,964.32	284,203.41
Hoosac Pier & Facilities	178,762.50	142,823.45
Mystic Pier & Facilities	185,332.55	162,623.15
Rents, Other	670.75	572.03
Miscellaneous, Other	61.28	
Prior Year Refunds	209.41	
TOTAL OPERATING REVENUE	<u>1,186,714.77</u>	<u>1,071,706.94</u>
Sale of Land	13,805.00	49,942.13
Sales, Other	65.60	3,475.35
TOTAL OTHER REVENUE	<u>13,870.60</u>	<u>53,417.48</u>
TOTAL REVENUE	<u>1,200,585.37</u>	<u>1,125,124.42</u>

FINANCIAL STATEMENT VERIFIED
(Under Requirements of C.7, S19 GL)

Date: September 6, 1957.

by J. T. O'Shea
For the Comptroller
Approved for Publishing
John A. Ronan
Acting Comptroller

Bent

